

**CHARTER OF THE
AUDIT COMMITTEE OF THE
BOARD OF DIRECTORS OF
SILICON IMAGE INC.**

As amended effective December 10, 2007

I. OVERVIEW

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Silicon Image, Inc. (the “**Company**”) is to assist the Board in fulfilling its oversight responsibilities relating to the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company by carrying out the activities enumerated in Part III of this charter (the “**Charter**”).

Management is responsible for preparing financial statements that accurately and fairly present the Company’s financial results and condition, and the Company’s independent auditors are responsible for reviewing and auditing those financial statements. While the Committee has oversight responsibilities under this Charter, the Committee shall not be responsible for planning or conducting audits, or determining whether the Company’s financial statements are complete and accurate or in accordance with generally accepted accounting principles.

This Charter should be interpreted in the context of all applicable laws and regulations and the Company’s organizational documents. In the event of any conflict between this Charter and such laws, regulations or documents, such laws, regulations or documents shall control.

II. MEMBERSHIP

The Committee will consist of not less than three members of the Board, with the exact number being determined by the Board. Each of the members of the Committee will:

- be an “independent director” as defined under the applicable rules and regulations of the NASDAQ Stock Market, as may be amended from time to time (the “**NASDAQ Rules**”), except as may otherwise be permitted by such NASDAQ Rules;
- be “independent” as defined in Section 10A(m) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and Rule 10A-3 and any other rules and regulations promulgated by the Securities and Exchange Commission (the “**SEC**”) under the Exchange Act (the “**SEC Rules**”), except as may otherwise be permitted by such SEC Rules;
- not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years;
- be able to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement; and

- satisfy any other requirements for membership imposed by applicable laws or regulations, subject to any applicable exemptions and transition provisions.

In addition, at least one member of the Committee will satisfy the financial sophistication requirements of NASDAQ Marketplace Rule 4350(d)(2)(A) (or any successor thereto) and be a “financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated under the Exchange Act (or any successor thereto).

Members of the Committee shall be appointed by the Board by a majority vote of a quorum of the Board after considering the recommendation of the Governance and Nominating Committee, and may be removed by the Board in its sole discretion. Committee members will serve during their respective term as a director, subject to earlier resignation or removal by a majority vote of a quorum of the Board. Unless a Chairperson is elected by the Board, the members of the Committee may designate a Chairperson by majority vote of the Committee membership. Unless otherwise approved by the Board, no Committee member may serve as a member of more than two other public company audit committees.

III. DUTIES AND RESPONSIBILITIES

The following shall be the principal duties and responsibilities of the Committee. These items are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities. In addition to the duties and responsibilities set forth below, the Committee shall perform such other duties as are delegated to it by the Board or required under applicable laws or regulations. The Committee may from time to time, as it deems appropriate and consistent with applicable laws and regulations and the Company’s organizational documents, form and delegate authority to subcommittees.

In order to serve these functions, the Committee shall have direct access to Company personnel and documents, and shall have authority to conduct any investigation into any matters appropriate to fulfilling its responsibilities. The Committee may retain, at the Company’s expense, special legal, accounting or other consultants, experts and advisors of its choice that it deems necessary in the performance of its duties. The Company shall provide appropriate funding to the Committee, as determined by the Committee, for payment of (1) compensation to the independent auditors for services approved by the Committee, (2) compensation to any outside advisors retained by the Committee pursuant to this Charter, and (3) ordinary administrative expenses of the Committee that are appropriate in carrying out its duties pursuant to this Charter.

1. Responsibilities Relating to Independent Auditors

- The Committee shall communicate with the Company’s independent auditors about the Company’s expectations regarding the relationship with the auditors, including the auditors’ ultimate accountability to the Board and the Committee.
- The Committee shall have the direct authority and responsibility to select, evaluate and if necessary replace the independent auditor. The Committee shall have the direct authority and responsibility to determine the compensation of and oversee the performance of, the independent auditors, and shall also resolve any disagreements between management and

the independent auditors regarding financial reporting. The independent auditors shall report directly to the Committee.

- The Committee shall review and approve processes and procedures to ensure the continuing independence of the independent auditors, including obtaining and reviewing, on at least an annual basis, a letter from the independent auditors describing all relationships between the independent auditors and the Company required to be disclosed by Independence Standards Board Standard No. 1 (or any successor thereto), and reviewing and discussing the nature and scope of such relationships (including those that may impact the objectivity and independence of the auditors) and discontinuing any relationships that the Committee believes could compromise the independence of the auditors.
- The Committee shall obtain a report from the independent auditors regarding any material issues raised in any investigation or audit of the independent auditors by the Public Company Accounting Oversight Board, or any other governmental or regulatory agency.
- The Committee shall establish a policy governing hiring by the Company of employees of its current and former independent auditors.
- The Committee shall review the general scope, staffing and plan for the independent auditors' annual audit, and any special audit steps or procedures that may be required.
- The Committee shall pre-approve all services permitted by applicable law to be provided by the Company's independent auditors to the Company and/or any of its subsidiaries, and shall ensure that such services do not compromise the auditors' independence. The Committee may establish pre-approval policies and procedures, as permitted by applicable law and the rules and regulations of the SEC, for the engagement of independent auditors to render services to the Company, including but not limited to policies that would allow the delegation of pre-approval authority to one or more members of the Committee, provided that the pre-approval decision is presented to the Committee at its next regularly scheduled meeting.
- The Committee shall discuss with the independent auditors and the Company's financial management the results of the annual audit, including comments or recommendations of the independent auditors outlined in the auditors' annual management letter.
- The Committee shall confirm that the lead audit partner of the independent auditor is rotated periodically as required by the Sarbanes-Oxley Act, and shall discuss with the independent auditor the plan for any upcoming rotation.
- The Committee shall meet at least quarterly with the Company's independent auditors, without members of management present.

2. **Responsibilities Relating to the Internal Controls**

- The Committee shall annually review the Company's internal controls, including the proposed internal control plans for the coming year.

- The Committee shall review and discuss with the independent auditors and Company management their periodic reviews and assessments of the adequacy of the Company's accounting and financial reporting processes and systems of internal control, including any significant deficiencies and material weaknesses in their design or operation.
- The Committee shall review and discuss with Company management (including the principal executive officer and principal financial officer) their periodic reviews and evaluations of the effectiveness of the Company's disclosure controls and procedures. The Committee shall periodically review and discuss with Company management the function of any disclosure or certification committee that may be established by the Company.
- The Committee shall review any fraud involving Company management or any employee of the Company with a significant role in the Company's internal controls over financial reporting that is disclosed to the Committee.
- The Committee shall discuss any comments or recommendations of the independent auditors outlined in their annual management letter or internal control reports. The Committee shall monitor whether appropriate internal control recommendations made by independent auditors have been implemented by Company management.
- The Committee shall periodically evaluate whether management is setting the appropriate tone at the top by communicating to all individuals the importance of internal controls as well as their roles and responsibilities.

3. Review Procedures

- In consultation with management and the independent auditors, the Committee shall consider the integrity of the accounting and financial reporting processes and controls of the Company. This consideration shall encompass: (1) meeting periodically with the independent auditors and financial and accounting personnel to discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures; and (2) reviewing significant findings prepared by the independent auditors with management's responses.
- The Committee shall review, prior to releasing to the public or filing with the SEC, the type of financial information, and the presentation of that information, to be included in the Company's annual earnings releases, as well as the annual financial statements to be included in the Company's Form 10-Ks. This review shall include a discussion of the matters required to be addressed by SAS 114 (or any successor thereto).
- The Committee shall perform similar reviews with respect to the Company's Form 10-Qs and quarterly earnings releases.
- In connection with the Committee's review of any quarterly and annual financial statements, the Committee shall discuss with management and the independent auditors (either together or separately) (1) the significant accounting principles, policies and practices followed by the Company in accounting for and reporting its financial results, and the independent auditors' judgments about the quality and appropriateness thereof; (2) any significant changes in the Company's application of such accounting principles or in the

Company's accounting policies; (3) the effect of regulatory or accounting changes or initiatives on the Company's financial statements; (4) the effect of any off-balance sheet arrangements on the Company's financial statements; (5) any adjustments made in the course of the independent auditors' review or audit of the Company's financial statements; (6) disagreements, including those resolved, between the independent auditors and the Company's financial management; (7) problems or difficulties encountered by the independent auditor, and restrictions placed upon the independent auditor by the Company with respect to the scope of the audit or the independent auditor's access to information; (8) communications between the independent auditors' engagement team and its national office relating to the Company's financial reports; (9) the Company's disclosures in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Company's financial reports; (10) any correspondence between the Company and any regulatory or government agency relating to the Company's financial reports, and (11) any other significant issues, including issues relating to accounting principles, practices and judgments, that arose in the course of the independent auditors' audit or review, to the extent not already covered under subsections (1) to (10) above.

- In connection with the Committee's review of the annual financial statements, the Committee shall obtain and review a report from the independent auditors addressing: (1) all critical accounting policies and practices used; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of each alternative and the treatment preferred by the independent auditors; (3) other material communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences; and (4) any internal control reports prepared or to be prepared by the independent auditors.
- The Committee will ask the independent auditors for their observations on the adequacy of the Company's financial staff.
- The Committee shall recommend to the Board whether the annual financial statements should be included in the Annual Report on Form 10-K, based on (1) the Committee's review and discussion with management of the annual financial statements, (2) the Committee's discussion with the independent auditors of the matters required to be discussed by SAS 114 (or any successor thereto), and (3) the Committee's review and discussion with the independent auditors of the independent auditors' independence and the written disclosures and letter from the independent auditors required by Independence Standards Board Standard No. 1 (or any successor thereto).
- The Committee shall review and assess the adequacy of this Charter on at least an annual basis and shall make recommendations to the Board where appropriate to amend this Charter.
- The Committee shall review and approve any related party transaction (excluding transactions that are subject to review by the another committee of the Board). A "related party transaction" is as defined in Item 404(a) of Regulation S-K promulgated under the Exchange Act, which governs disclosure of these types of transactions in public company reports.

- The Committee shall review waivers of the Company's Code of Conduct and Ethics requested for members of the Governance and Nominating Committee and have authority to approve such waivers.

4. Other.

- The Committee shall establish procedures to receive and process complaints regarding accounting, internal accounting controls or auditing matters, and for employees to make confidential, anonymous complaints regarding questionable accounting or auditing matters.
- The Committee shall discuss with the Company's chief legal officer and/or outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.
- The Committee shall discuss with the Company's management the Company's policies with regard to risk assessment and management. The Committee shall discuss significant financial risk exposures and the actions management has taken to monitor or control such risk exposures.
- The Committee shall annually prepare a report to the Company's stockholders for inclusion in the Company's annual proxy statement as required by the rules and regulations of the SEC, as they may be amended from time to time.
- The Committee shall meet periodically with the Company's internal auditor (if any), and with any professionals who have been retained by the Committee in addition to the independent auditors.
- The Committee shall discuss with Company management on a general basis the type of information to be disclosed and type of presentation to be made regarding financial information and earnings guidance to analysts and rating agencies.
- The Committee shall perform any other activities required by applicable laws or regulations, including the rules of the SEC and any stock exchange or market on which the Company's capital stock is listed, and may perform other activities that are consistent with this Charter, the Company's organizational documents and applicable laws or regulations, as the Committee or the Board deems necessary or appropriate.

IV. MEETINGS:

Meetings of the Committee will be held from time to time, but at least once per quarter, in response to the needs of the Board or as otherwise determined by the Chairperson of the Committee. Meetings will be presided over by the Chairperson of the Committee, with the agenda for each meeting to be determined by the Chairperson of the Committee after consideration of suggestions from other Committee members and the Company's management. The Committee shall report to the Board from time to time, regularly and as requested by the Board and at such other times as determined by the Committee to be appropriate. In accordance with the bylaws of the Company and in lieu of a meeting, the Committee may also act by unanimous written consent. The Committee may in its sole discretion invite persons who are not members of the Committee to attend Committee meetings, or exclude persons who are not members of the Committee from Committee meetings. Subject to the applicable provisions

of the Company's bylaws and the authority of the Board, the Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings.

V. MINUTES:

The Committee will maintain written minutes of its meetings and copies of its actions by unanimous written consent, and will cause such minutes and copies of written consents to be filed with the minutes of the meetings of the Board.